

# **City of Grand Rapids, Michigan**



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**Additional Reports Required by  
OMB Circular A-133  
Year Ended June 30, 2004**

# City of Grand Rapids, Michigan

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**Report on Internal Control Over  
Financial Reporting and on Compliance  
and Other Matters and Based on an  
Audit of Financial Statements  
Performed In Accordance With  
Government Auditing Standards**

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## **Independent Auditors' Report**

Honorable Members of the City Commission  
City of Grand Rapids, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Grand Rapids, Michigan as of and for the year ended June 30, 2004, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 2, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### ***Internal Control Over Financial Reporting***

In planning and performing our audit, we considered the City of Grand Rapids' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City of Grand Rapids' basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the City of Grand Rapids in a separate letter dated January 3, 2005.

This report is intended solely for the information of the City Commission, management and federal awarding agencies and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

*BDO Seidman, LLP*

Grand Rapids, Michigan  
November 2, 2004

**Report on Compliance With  
Requirements Applicable to  
Each Major Program and  
Internal Control Over  
Compliance in Accordance  
With OMB Circular A-133**

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## **Independent Auditors' Report**

Honorable Mayor and Members of the City Commission  
City of Grand Rapids, Michigan

### ***Compliance***

We have audited the compliance of the City of Grand Rapids, Michigan with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2004. The City of Grand Rapids' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Grand Rapids' management. Our responsibility is to express an opinion on the City of Grand Rapids' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Grand Rapids' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Grand Rapids' compliance with those requirements.

In our opinion, the City of Grand Rapids complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

### ***Internal Control Over Compliance***

The management of the City of Grand Rapids is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

### ***Schedule of Expenditures of Federal Awards***

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Grand Rapids as of and for the year ended June 30, 2004, and have issued our report thereon dated November 2, 2004. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the City of Grand Rapids' basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

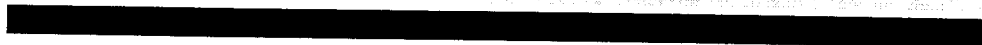
This report is intended solely for the information of the City Commission, management and federal awarding agencies and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

*BDO Seidman, LLP*

Grand Rapids, Michigan  
November 2, 2004



**Schedule of Expenditures  
of Federal Awards**



# City of Grand Rapids, Michigan

## Schedule of Expenditures of Federal Awards

<i>Year ended June 30, 2004</i>	CFDA Number	Grant Award Number	Expenditures
<b>Federal Awards Distributed Directly to the City of Grand Rapids, Michigan</b>			
<b>Department of Housing and Urban Development</b>			
Community Development Block Grant	14.218		
21st Program year		B95-MC26-0019	\$ 6,780
23rd Program year		B97-MC26-0019	53,625
24th Program year		B98-MC26-0019	62,484
25th Program year		B99-MC26-0019	96,602
26th Program year		B00-MC26-0019	197,794
27th Program Year		B01-MC26-0019	387,403
28th Program Year		B02-MC26-0019	939,419
29th Program Year		B03-MC26-0019	4,574,138
			6,318,245
Emergency Shelter Grant	14.231	S-02-DC-26-0019	180
		S-03-MC-26-0019	159,129
			159,309
Home Investment Partnership Program	14.239	M99-MC26-0206	205,987
		M00-MC26-0206	(23,961)
		M01-MC26-0206	346,943
		M02-MC26-0206	938,276
		M03-MC26-0206	606,035
			2,073,280
Lead Hazard Control Program	14.900	MILHB0253-03	89,159
Lead Hazard Reduction Demonstration Program	14.905	MILHD0017-03	23,578
Total Department of Housing and Urban Development			8,663,571

# City of Grand Rapids, Michigan

## Schedule of Expenditures of Federal Awards

<i>Year ended June 30, 2004</i>	CFDA Number	Grant Award Number	Expenditures
<b>Department of Justice</b>			
Local Law Enforcement Block Grant	16.592	2001-LB-BX-3073	\$ 152,093
		2002-LB-BX-2571	412,064
			564,157
Equitable sharing	N/A	M14143600	123,997
FY2001 Domestic Preparedness	16.006	2003-TE-CX-0009	94,268
Total Department of Justice			782,422
<b>Department of Health and Human Services</b>			
Metropolitan medical response	93.003	233-01-0048	65,212
<b>Environmental Protection Agency</b>			
Combined Sewer Overflow Project	66.606	XP97510401-2	7,179,616
Security Planning Grants-Large Drinking Waters Facilities	66.476	HS-82991601-0	35,547
Total Environmental Protection Agency			7,215,163
<b>Federal Emergency Management Agency</b>			
Assistance to Firefighters	83.554	2002EMW-2002-FG-13732	161,526
		EME-2001-GR-0705	100,000
			261,526
Total Direct Federal Awards			16,987,894

# City of Grand Rapids, Michigan

## Schedule of Expenditures of Federal Awards

<i>Year ended June 30, 2004</i>	CFDA Number	Grant Award Number	Expenditures
<b>Federal Awards Distributed through the State of Michigan to the City of Grand Rapids, Michigan</b>			
<b>Department of Justice</b>			
Bureau of Justice Assistance	16.579		
Crime Stoppers		2002 DB BX 0026 (72087-1K02)	\$ 20,684
Crime Policing & Analysis		9XDBVX0026 (72104-1-03-B)	14,980
Crime Analysis		2002DB BX 0026 (72054-1K02)	59,264
		9XDBVX0026 (72054-2-03-B)	50,554
COPS More 02		2002CLWX0030	117,391
Drug Court Program		2002 DB BX 0026 (72023-1K02)	36,326
		9XDBVX0026 (72023-2-03-B)	83,585
Metropolitan Enforcement Team (MET)		2002-DB BX 0026 (70973-2K02)	298,137
		9XDBVX0026 (70973-3-03B)	207,845
Media Partnership Strategies		9XDBVX0026 (72105-1-03-B)	6,264
Start Treatment of Prostitutes		9XDBVX0026 (72106-1-03-B)	48,572
Juvenile Intervention Initiative		2002 DB BX 0026 (70927-3K02)	102,065
			1,045,667
Project Safe Neighborhood	16.609	2003-GP-CX-0561	13,800
Crime Victim Assistance			
Domestic Assault Response Team (D.A.R.T.)	16.575	2001-VA-GX-0026(CVA20510-6V01)	29,024
		VA-GX-0026-02(CVA20510-7V02)	54,322
			83,346
Total Department of Justice			1,142,813
<b>Department of Labor</b>			
Reed Act Funding Grant	17.000	2003-2004	64,800

# City of Grand Rapids, Michigan

## Schedule of Expenditures of Federal Awards

<i>Year ended June 30, 2004</i>	CFDA Number	Grant Award Number	Expenditures
<b>Department of Transportation</b>			
Congestion Mitigation and Air Quality Program	20.205	JJ0187	\$ 810,019
Transportation Enhancement Activity	20.205	2002-0538	45,708
Transportation Enhancement Grant	20.205	EE 0130	29,845
		RR2602	62,566
		YY0206/TT0113/RR3598	279,400
		YY0205	467,597
		HH3516	17,700
		YY0082	3,017
<b>Total Department of Transportation</b>			<b>1,715,852</b>
<b>Department of Homeland Security</b>			
State Domestic Preparedness	97.004	2002	20,193
Emergency Management Performance Grant	97.042	02-03	12,792
		03-04	20,323
			<b>53,308</b>
FY2002 Supplemental Fund Assistance	97.051	2002	21,439
<b>Total Department of Homeland Security</b>			<b>74,747</b>
<b>Total Federal Awards distributed through the State of Michigan</b>			<b>2,998,212</b>
<b>Total Federal Awards</b>			<b>\$19,986,106</b>

# City of Grand Rapids, Michigan

## Notes to Schedule of Expenditures of Federal Awards

### 1. Summary of Significant Accounting Policies

#### *Basis of Accounting*

The Schedule of Expenditures of Federal Awards is presented on the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available and the City has met the qualifications for the respective grant. Expenditures are recognized when a qualifying liability is incurred.

#### *Local Contributions*

Local matching contributions are required under the provisions of certain Federal grants. Local match contributions include local sources of revenue and in-kind amounts consisting of direct services supplied by City of Grand Rapids employees. For those programs requiring a local match, only the percentage of the program expenditures eligible for federal grant funds are reported.

### 2. Department of Transportation Programs

On July 13, 2000, the City of Grand Rapids and the State of Michigan Department of Transportation entered into a loan contract (#1999-1075) for a \$2,500,000 loan in support of US 131 Reconstruction Project. The loan contract calls for repayment of the loan principal plus interest of 4% over a period ending July 1, 2012. The balance of the loan at June 30, 2004 is \$2,177,909.

The City of Grand Rapids has two grant agreements with Michigan Department of Transportation for Congestion Mitigation and Air Quality Program under federal grant numbers HP0891 (\$1,702,000-1993) and JJ0187 (\$3,578,000-1995). Cumulative expenditures for the two grants amounted to \$4,988,169 at June 30, 2004. The first grant of \$1,702,000 was completed at June 30, 2003. Included in the current year expenditures is an adjustment for prior year expenditures of \$131,819 related to the grant.

The City receives federal aid in the construction and maintenance of its major and local streets and bridges. The City's portion of the project costs ranges from 10% to 25% depending on the nature of the project. Generally, all project administration, including receipt and disbursement of funds, is performed by the Michigan Department of Transportation. Since all project administration is performed by the Michigan Department of Transportation, federal aid in the construction of the City's major and local streets and bridges is not included in the Schedule of Expenditures of Federal Award. A summary of current projects is as follows:

Project	MDOT Job #	Project Description	Estimated	
			Project Cost	Federal Award
19307802	50242	Area Wide Signal System Installation	\$ 759,961	\$ 752,761
19307802	59905a	Signal Upgrade	135,948	108,759
19307802	59903a	Signal Upgrade	125,746	100,597
Project Totals			1,021,655	962,117
19c125	54030a	Lake Drive to Robinson Road	945,021	200,000
19c125	54029a	Wealthy to Lake Drive	132,754	78,958
Project Totals			1,077,775	278,958
19c211	54030a	Lake Drive to Robinson Road	-	-
211028	54030a	Lake Drive to Robinson Road	-	-
211028	54029a	Wealthy to Lake Drive	-	-
Project Totals			-	-
21c205	56392a	Kalamazoo Avenue 28 <sup>th</sup> to Alger	1,644,363	1,067,496
211008	56392a	Kalamazoo Avenue 28 <sup>th</sup> to Alger	-	-
211008	74453A	M11 Kalamazoo Avenue to Breton	643,685	508,070
Project Totals			643,685	508,070
44c441	56392a	Kalamazoo Avenue 28 <sup>th</sup> to Alger	-	-
210999	52600c	M37 East Beltline	3,030,142	2,424,114
210999	55460d	I-196 over Lane Avenue	1,365,043	1,228,539
210999	56024c	I-196 over US131	3,143,689	2,829,320
210999	56748d	I-196 over Stocking Avenue and US131	2,201,448	1,981,303
210999	56024a	I-196 between Lane and US131	4,103,471	3,282,777
210999	51888A	East bound I-196 over by Broadway	1,470,634	1,203,715
210999	55460A	I-196 over Lane Avenue	1,638,052	1,474,246
210999	74659A	I-196 to East of Monroe Avenue	1,786,441	1,462,202
210999	72022C	I-196 Eastbound at Beltline Avenue	457,986	366,389
210999	72022A	I-196 M37 and M44	537,280	429,824
210999	74453C	Kalamazoo Breton Avenue	1,218,182	997,082
210999	45010A	Eastbound I-196 over CSX RR	5,664,857	5,098,371
210999	29821A	Leonard Street to I-196	195,623	144,007

# City of Grand Rapids, Michigan

## Notes to Schedule of Expenditures of Federal Awards

Project Totals		2004 Expenditures	
City Share	State Share	Total City Payments	MDOT Payments
\$ 7,200	\$ -	\$ -	\$ 8,327
27,189	-	-	30,273
25,149	-	-	22,291
59,538		75,346	60,891
745,021	-	-	2,649
53,796	-	-	2,381
798,817	-	7,937	5,030
-	-	-	602
-	-	-	212,087
-	-	-	41,874
-	-	300,943	253,961
576,867	-	26,378	10,057
-	-	-	558,563
37,035	98,580	-	37,035
37,035	98,580	737,320	595,598
-	-	74,998	75,622
12,312	593,716	-	1,053
136,504	-	-	2,170
314,369	-	-	2,600
220,145	-	-	2,849
94,311	726,383	-	1,200
31,147	235,772	-	1,055
19,733	144,073	-	1,011
20,324	303,915	-	18,482
11,449	80,148	-	1,264
13,167	94,289	-	9,256
27,637	193,463	-	2,563
66,033	500,453	-	1,048
6,452	45,164	-	1,369



Project	MDOT Job #	Project Description	Estimated	
			Project Cost	Federal Award
210999	45159C	M45 Manzan Drive I-196	\$ 373,018	\$ 305,315
210999	79048A	M45 to Collindale Avenue	449,449	359,559
210999	45159A	M45 to Covell Avenue	3,780,263	2,629,639
210999	48974A	M45 – Fairfield - Bona Vista	608,990	459,179
210999	43634A	Market Street Finney to Fulton	889,377	599,318
Project Totals			32,913,945	27,274,899
219073	48974A	M45 – Fairfield – Bona Vista	608,990	459,179
211006	50227	Burton Road (Plymouth to Breton)	1,990,654	1,284,904
211009	50248	Plymouth Road construction	795,369	603,238
211012	54031a	Lake Michigan and Collindale Avenue	308,482	200,000
212077	58812	Amtrak Parking Facility	367,057	202,149
212101	56366a	East Paris Avenue Resurfacing	341,181	215,600
212121	72191A	Cherry Street Warren to Diamond	1,119,688	303,913
213001	56385	Leonard Street – Oakleigh to Covell	1,598,837	1,066,781
44c446	56385	Leonard Street – Oakleigh to Covell	-	-
26c205	54905a	Non-Motorized Path to US131	128,590	102,872
210001	50065A	Breton Avenue 32 <sup>nd</sup> to 28 <sup>th</sup> Street	1,485,642	1,100,000

# City of Grand Rapids, Michigan

## Notes to Schedule of Expenditures of Federal Awards

Project Totals		2004 Expenditures	
City Share	State Share	Total City Payments	MDOT Payments
\$ 8,463	\$ 59,240	\$ -	\$ 8,463
89,890	-	-	26,323
51,653	1,098,971	-	13,354
149,811	-	-	16,148
290,059	-	-	2,896
1,563,459	4,075,587	113,063	113,104
149,811	-	148,994	81,601
705,750	-	37,035	3,575
192,131	-	248,053	163,441
108,482	-	165,818	136,903
164,908	-	236,188	163,223
125,581	-	57,390	57,390
815,775	-	209,611	79,604
532,056	-	821,135	575,231
-	-	23,161	13,533
25,718	-	90,423	4,194
385,642	-	301,387	44,711

# City of Grand Rapids, Michigan

## Schedule of Findings and Questioned Costs Year Ended June 30, 2004

### Summary of Auditors' Results

The auditors' report expresses an unqualified opinion on the basic financial statements of the City of Grand Rapids, Michigan.

The audit did not disclose any noncompliance which is material to the basic financial statements of the City of Grand Rapids, Michigan.

The auditors' report on compliance for major programs for the City of Grand Rapids, Michigan expresses an unqualified opinion.

The audit did not disclose any findings related to major programs that are required to be reported herein in accordance with OMB Circular A-133.

The City had one major program: Combined Sewer Overflow Project, CFDA No. 66.606.

The dollar threshold used to distinguish between Type A and Type B programs was \$599,400.

The City of Grand Rapids, Michigan qualified as a low-risk auditee.

### Findings Related to General Purpose Financial Statements

There were no findings which are required to be reported under *Government Auditing Standards*.

### Findings and Questioned Costs For Federal Awards

There were no findings or questioned costs.



**BDO Seidman, LLP**  
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January 3, 2005

Members of the City Commission  
City of Grand Rapids, Michigan

Dear Members of the Commission:

We have audited the basic financial statements of the City of Grand Rapids, Michigan (the City) as of and for the year ended June 30, 2004, and have issued our report thereon dated November 2, 2004. In planning and performing our audit, we considered the City's internal controls in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal controls.

During our audit, we noted certain matters involving accounting procedures, information systems and business practices that are presented for your consideration. These comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve financial reporting practices or result in operating efficiencies.

We would be happy to further discuss our recommendations with you and provide whatever assistance you deem appropriate to implement these recommendations.

This memorandum is intended solely for the information and use of the City Commissioners, management and others within the City.

Very truly yours,

*BDO Seidman, LLP*

# **City of Grand Rapids**

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## **Memorandum of Recommendations**

**Year Ended June 30, 2004**

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# City of Grand Rapids

## Memorandum of Recommendations

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### **Auto Parking System**

Six City employees collect coins from the meters daily. The collectors gather in a locked room with the meter supervisor to count the daily collections, which are taken to the bank by armored truck. The meter supervisor posts the collected amounts to the general ledger.

The person posting to the general ledger should not be involved with cash collections. Allowing one person to perform both functions increases the potential for misappropriation of cash.

#### ***Recommendation***

Require that an individual independent of the cash collection process post transactions to the general ledger.

#### ***Response***

We will implement that recommendation effective January 31, 2005.

### **Internal Control Over Payroll Processing**

In our letter to management last year we raised a concern about the lack of segregation of duties in the payroll processing area. At the request of the Comptroller we performed a special review of certain payroll functions and issued a separate letter dated October 19, 2004 that contains several recommendations.

#### ***Recommendation***

Consider changes based on that document.

#### ***Response***

Additional payroll audit procedures are currently being considered by the Comptroller.

# City of Grand Rapids

## Memorandum of Recommendations

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### Mainframe Access Passwords

As noted in our letter to management last year, mainframe level access controls do not force periodic changes to user passwords or limit the number of invalid access attempts before disabling the user.

#### *Recommendation*

Require users to change their password periodically and limit the number of invalid access attempts to reduce the risk of unauthorized use of systems functions. Management should evaluate the benefits of utilizing CA-Top Secret access security software to perform these and other access control functions in the mainframe environment.

#### *Response*

Prior to the end of FY2005, the City will be upgrading its operating system software, which will allow for periodic password changes and limit the number of invalid access attempts.

### Oracle/Web Access Passwords

As noted in our letter to management last year, the Information Technology personnel responsible for administering access security on the Oracle/web application platform establish user passwords. In addition, users are not required to periodically change their passwords in this environment.

Password controls should be enforced via automated settings within the software rather than via manual policies and procedures. A key element in good password security is that users change their own passwords and that these passwords are not known or shared by other individuals.

# City of Grand Rapids

## Memorandum of Recommendations

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### *Recommendation*

Evaluate password security procedures and parameters over Oracle/web applications and require passwords to be changed periodically by the users.

### *Response*

The City is evaluating security procedures and parameters over Oracle and web applications.

## **Information Security Leadership and Administration**

A centralized role for leadership and coordination of information security administration activities is not in place. In the current structure various individuals within Information Technology and the application user departments administer access security for various operating system platforms and applications.

Establishment of a role to centralize and coordinate security administration could improve consistency of protection and lead the development of consistent policies, standards, procedures, and practices across the various platforms and applications.

### *Recommendation*

Consider establishing a centralized security administration leadership and coordinator role.

### *Response*

The City has determined that a key user for each major application should administer user security with backup from the Information Technology Department staff. A singular position to control user security is not supported at this time due to the different technical and practical knowledge of each application. A combination of user administered security controls and Information Technology global security controls has proven to be effective.



# City of Grand Rapids

## Memorandum of Recommendations

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### **Security Assessment**

The last security audit of the City's Information Technology resources was performed approximately two years ago.

Security audits help identify risks and vulnerabilities related to policies, process, networks and systems. They also help identify ways for the City to defend critical infrastructure and sensitive data against non-authorized access.

#### ***Recommendation***

Consider the need for an updated security assessment to be completed, due to changes in both the City's infrastructure and technology in general.

#### ***Response***

The City will seek funding for an updated security assessment.

### **Primary Data Center Availability**

As noted in our letter to management last year, the primary data center is located above a Parks and Recreation Department maintenance facility that houses equipment, including propane tanks and flammable liquids. This increases the risk of an event that could impact the data center equipment and thereby user processing capabilities.

#### ***Recommendation***

Evaluate the risks presented by this situation and consider alternatives to reduce the risk of a negative impact on processing capabilities. This should also be considered in the Business Continuity and Disaster Recovery Plan.

#### ***Response***

The City has evaluated and taken several steps to mitigate the risk of a negative impact presented by Information Technology being located above the Parks and Recreation maintenance facility. The City has installed an audible alarm and warning lights in the computer room to notify staff if the sprinkler system is

# City of Grand Rapids

## Memorandum of Recommendations

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activated in the building. The City has also installed security cameras in the warehouse area so that we can view and record all activity around the perimeter of the computer room. The City has installed a FM200 fire detection and suppression system. The City has installed smoke detectors around the perimeter of the Data Center that are directly connected to Fire Dispatch. At this time, the City's fiscal stress precludes relocation options.

### **Information Technology Resources and Planning**

An up-to-date Information Technology strategic plan does not exist. The current Information Technology environment includes an increasing number of client server-based systems as well as a number of key systems in the mainframe environment. In addition, there are numerous databases being supported within the client server environment.

A strategic plan helps standardize the hardware and software systems supported, and typically reduces hardware, maintenance and support costs over time.

#### ***Recommendation***

Develop and periodically update a five-year strategic Information Technology plan. This plan would facilitate both the budget and capital planning process and also help ensure new hardware and software are purchased in accordance with the City's strategic direction.

#### ***Response***

The Information Technology Department conducts an annual Strategic Planning Retreat with the top City Leadership to discuss priorities, projects, strategies and corporate direction for technology deployment.

### **Business Continuity and Disaster Recovery Planning**

Although development of an Information Technology Disaster Recovery Plan (DRP) is in process, a comprehensive plan has not been finalized and published. Without such a plan, the loss of processing capabilities may have a greater impact on operating activities of system users.

# City of Grand Rapids

## Memorandum of Recommendations

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### *Recommendation*

Finalize and publish a comprehensive DRP to reduce the impact of a loss of processing capabilities on user activities. Once published, periodic testing of critical areas should be planned in order to ensure that the plan is up-to-date, viable, and that users of the plan are familiar with their roles and responsibilities. Updating and testing of the Information Technology DRP should be performed in conjunction with overall business continuity planning for functions deemed most critical to the City.

### *Response*

An on-going focus of the City is completing a Business Continuity/Disaster Recovery Plan. A draft of a Disaster Recovery Plan has been completed and is being reviewed for adoption.